



**Summary of Findings and Determination**

**BERMUDA MONETARY AUTHORITY**

*Evaluation of Reciprocal Jurisdiction*

Approved By:

Qualified Jurisdiction (E) Working Group

## I. Evaluation of Bermuda Monetary Authority as Reciprocal Jurisdiction

The Qualified Jurisdiction (E) Working Group of the National Association of Insurance Commissioners (NAIC) has completed this *Summary of Findings and Determination* with respect to the evaluation of the Bermuda Monetary Authority (BMA), (S)(e)4 (an of)3 ( I)7(e)4 (a)4 (d -2 (udMC)-6 ( ('0.003

requirements under the revised Credit for Reinsurance Models, will be recognized as Reciprocal Jurisdictions and receive similar treatment as that provided under the EU and UK Covered Agreements, including the elimination of reinsurance collateral and local presence requirements by the states.

### **III. BMA's Status of a Qualified Jurisdiction**

A Qualified Jurisdiction may not be reviewed for inclusion on the *NAIC List of Reciprocal Jurisdictions* unless it remains in good standing with the NAIC as a Qualified Jurisdiction. The NAIC originally designated the BMA as a Conditional Qualified Jurisdiction effective January 1, 2014, with the designation to continue for one year. On December 16, 2014, the NAIC approved the BMA as a Qualified Jurisdiction and placed it on the *NAIC List of Qualified Jurisdictions*, to be effective as of January 1, 2015. This designation as a Qualified Jurisdiction was to be valid for five years (absent a material change in circumstances) ending on December 31, 2019, after which the BMA would be re-evaluated.

The Working Group met in regulator-to-regulator session on October 7, 2019 and re-approved the BMA as a Qualified Jurisdiction. The Reinsurance (E) Task Force is expected to approve the re-evaluation of the BMA as a Qualified Jurisdiction, which is expected to be confirmed by the NAIC Executive (EX) *asproveii0.00 T7d ( )Tj 0.11 TTc 0.0002 Tw 0.33-2 heM1-1M(s a(sualified Jurisdictio22 (.)JTJ 0 Tc 0 Tw 10.87*

governance, solvency and capital, and reporting, as applicable, and will not be subject to group supervision at the level of the worldwide parent undertaking of the insurance or reinsurance group by the Qualified Jurisdiction;

4. The Qualified Jurisdiction must provide written confirmation by its competent regulatory authority that information regarding insurers and their parent, subsidiary, or affiliated entities, if applicable, shall be provided to the states in accordance with a memorandum of understanding or similar document between a state and the Qualified Jurisdiction, including but not limited to the IAIS MMoU or other multilateral memoranda of understanding coordinated by the NAIC. This requirement may be satisfied by an MOU with a Lead State, which shall provide for appropriate confidentiality safeguards with respect to the information shared between the jurisdictions, similar to the MOU requirement outlined in paragraph 11 of this section III; and
5. The Qualified Jurisdiction must confirm that it will provide to the states on an annual basis confirmation that each eligible assuming insurer that is domiciled in the Qualified Jurisdiction continues to comply with the requirements set forth in in Section 9C(2) and (3) of Model #786; i.e., must maintain minimum capital and surplus of no less than \$250,000,000, and maintains on an ongoing basis the required minimum solvency or capital ratio, as applicable.

The BMA provided the NAIC and the chief insurance regulators of the 50 states, the District of Columbia and five U.S. territories with this written confirmation by letter dated October 30, 2019. The Qualified Jurisdiction Working Group performed a due diligence review of available public and confidential information.

